



The City of San Diego

Staff Report

DATE ISSUED: 5/12/2021

TO: City Council

FROM: Homelessness Strategies

SUBJECT: Homeless Housing, Assistance, and Prevention Round 2 (HHAP-2) State of California Grant

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Council District(s): Citywide

OVERVIEW:

On May 18, 2021, the State of California's Homeless Coordinating and Financing Council approved the City of San Diego's (City) application for the Homeless Housing, Assistance, and Prevention Round 2 (HHAP-2) grant. HHAP-2 is a \$300 million block grant available for large cities, counties, and Continuums of Care throughout California and is intended to support local jurisdictions in their unified regional response to reduce and end homelessness. The State has awarded the City a total of \$10,632,506.00 in HHAP-2 funding, which is expected to be received in the upcoming weeks.

PROPOSED ACTIONS:

Authorize the Chief of Financial Officer to accept, appropriate, and expend an amount not to exceed \$10,632,506.00 in State of California Homeless Housing, Assistance, and Prevention Round 2 grant funds.

Authorize the Chief Financial Officer to establish a special interest-bearing account for the grant, if required, the proceeds of which will be used for any eligible uses outlined in the HHAP-2 grant materials.

Authorize the Mayor, or designee, to negotiate, execute, and ensure compliance with an agreement with HCFC for the HHAP-2 grant.

Authorize the Mayor, or designee, to reallocate any portion of the HHAP-2 grant funds allocated to one category to one or more eligible uses within a separate category without the need for further Council approval if the reallocation is approved by HCFC's HHAP-2 Grant Manager, or designee, in writing, before expending money pursuant to an alternative budget.

Authorize the Mayor, or designee, to take all necessary action to administer, monitor, and manage the HHAP-2 grant agreement, and, when required, to develop, advertise, negotiate, and award contracts to third parties to implement the HHAP-2 grant agreement.

DISCUSSION OF ITEM:

The City intends on using HHAP-2 grant funds to support programs that are both efficient and effective in serving the greatest number of individuals. Following recommendations as published in the City's Community Action Plan on Homelessness, the City will utilize grant funds to continue to support successful programs, while also addressing shortfalls in the City's system.

HHAP-2 requires the City to expend funds on evidence-based solutions that prevent, reduce, and end homelessness. Eligible uses for the grant funds include the following:

1. Rapid rehousing, including rental subsidies and incentives to landlords;
2. Operating subsidies in new and existing affordable or supportive housing units, emergency shelters, non-congregate shelters, interim or bridge housing, and navigation centers;
3. Street outreach;
4. Services coordination, which may include access to workforce, education, and training programs, or other services needed to promote housing stability in supportive housing;
5. Systems support for activities necessary to create regional partnerships and maintain a homeless services and housing delivery system;
6. Delivery of permanent housing and innovative solutions;
7. Prevention and shelter diversion;
8. And new navigation centers and emergency shelters.

In addition to the above uses, HHAP-2 requires a minimum of eight percent (8%) of the total award be allocated for services for homeless youth populations, which are defined as unaccompanied youth between the ages of 12 and 24 years old who are experiencing homelessness. No more than seven percent (7%) may be expended on administrative costs to administer the grant. Lastly, no more than five percent (5%) of the total award may be allocated on strategic homelessness planning and/or infrastructure development to support coordinated entry systems and Homeless Management Information Systems.

The following is a breakdown of the proposed allocation of HHAP-2 funds by eligible use categories:

Eligible Use Category	Total
Operating Subsidies	\$ 5,937,121.58
Prevention & Diversion	\$ 1,707,514.00
Delivery of Permanent Housing	\$ 333,333.00
Rapid Rehousing	\$ 410,262.00
Street Outreach	\$ 1,500,000.00
Administrative	\$ 744,275.42
Total	\$ 10,632,506.00

The City intends on utilizing HHAP-2 funds to continue programs currently supported by other state grants or funding sources. Without this State grant funding, these programs may have been subject to termination. Otherwise, General Fund, not previously allocated, would have been required for these programs and would have created a significant impact on other City programming. Services include interim housing, prevention and diversion services, rental assistance, and street outreach for programs such as Bridge Shelters, Landlord Engagement, Safe Parking, Transitional Storage Facilities, Prosecution and Law Enforcement Assisted Diversion Services (PLEADS), and Family Reunification amongst other programs. The proposed uses align with the City's adopted Community Action Plan on Homelessness and will provide support in assisting the City's to reach its short-term and long-term goals. Through the

continuation of these programs and support from the state through this grant funding, the City will be able to continue to provide resources and supportive services for our most vulnerable population.

City Strategic Plan Goal(s)/Objective(s):

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods

Strategic Objective #6: Decrease unsheltered homelessness

Fiscal Considerations:

Request authorization of the Chief of Financial Officer to accept, appropriate, and expend an amount not to exceed \$10,632,506.00 in State of California Homeless Housing, Assistance, and Prevention Round 2 grant funds.

Charter Section 225 Disclosure of Business Interests:

N/A

Environmental Impact:

The proposed activities related to the acceptance and allocation of HHAP-2 funds are not a project pursuant to CEQA Guidelines Section 15378(b)(4) and are thus not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3). Projects that receive this funding would be subject to CEQA in accordance with the City's Land Development Code. This determination is predicated on Section 15004 of CEQA Guidelines, which provides direction to lead agencies on the appropriate time for environmental review.

Equal Opportunity Contracting Information (if applicable):

Contracts or agreements associated with this action are subject to the City's Equal Employment Opportunity Outreach Program (San Diego Ordinance No. 18173, Municipal Code Sections 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

Previous Council and/or Committee Actions:

N/A

Key Stakeholders and Community Outreach Efforts:

State of California, County of San Diego, Regional Task Force on the Homeless, San Diego Housing Commission, and service providers

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Liaison

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